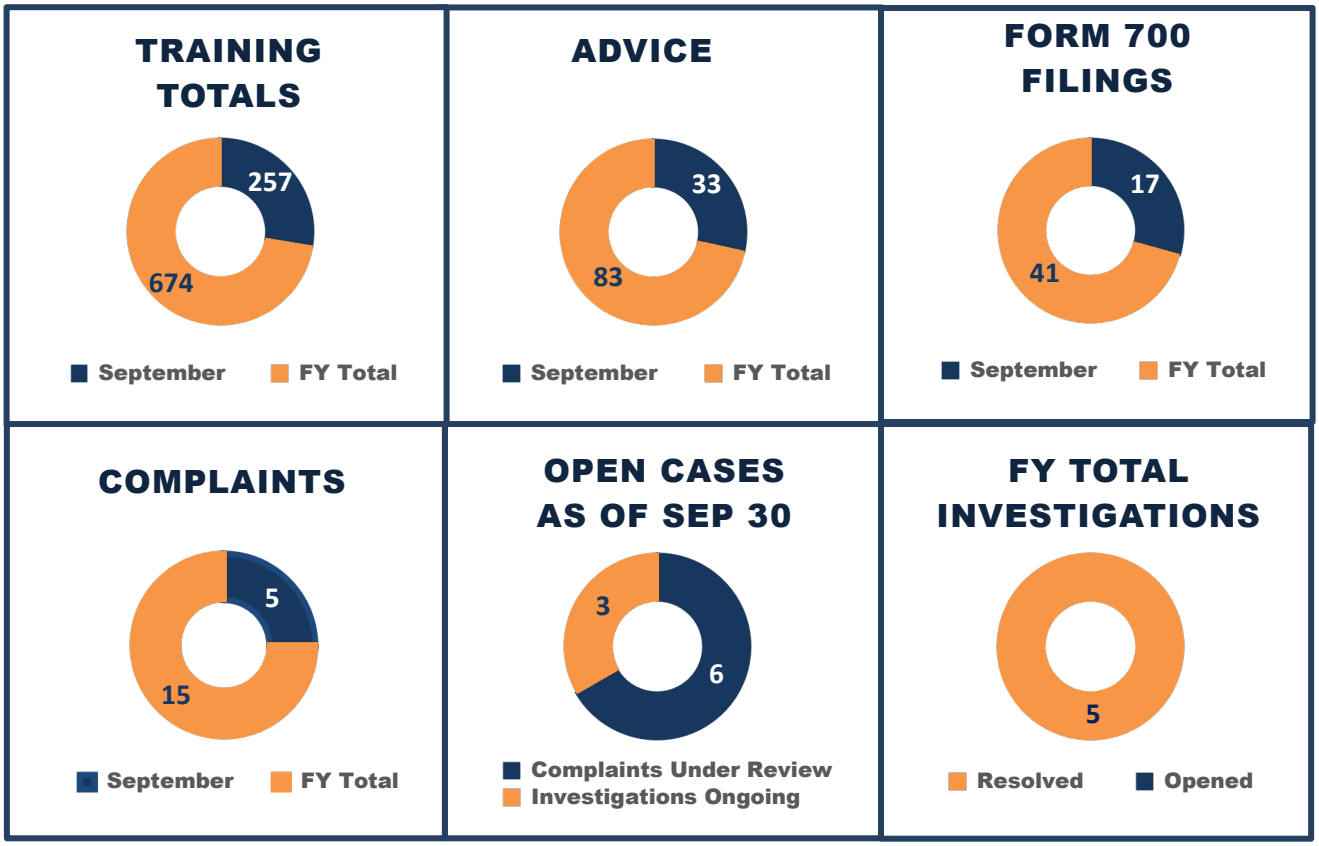
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Report

OFFICE OF ETHICS

Report for September 2026



EDUCATION Program

Live Education/Outreach– Staff presented six *Government Ethics 101* training sessions for 163 employees and Ethics Office overviews at two new employee orientation sessions hosted by Human Resources.

Ethics Staff Development – Ethics staff attended the 25th annual Society of Corporate Compliance and Ethics conference. Sessions included:

- *The Quantum Shift: Why Compliance Must Move from Reactive Oversight to Continuous Intelligence*
- *Rethink(ing) Compliance Training: Driving Real Behavior Change Across the Enterprise*
- *Employee Dynamics: Ethical Drift of the Employer Relationship* presented by EQS

Group.

- *Hot Seat in the Boardroom:* A Case Study in Compliance Oversight
- *Ethical Leadership in a Negotiable World*
- *Culture STIILL Eats Compliance for Breakfast!*
- *Back to the Future: Whistleblowing Lessons We Still Haven't Learned*
- *Stress, Judgment, and Ethical Risk: How Human Biology Drives Decision Errors*

Staff also attended a live webinar provided by the Association of Workplace Investigators titled *Investigating DEI: Considerations for Workplace Investigators*

COMPLIANCE Program

Form 700/Filing Officer Duties – Pursuant to state law and the Administrative Code, Compliance staff assisted directors and employees with their Annual, Assuming Office, and Leaving Office Form 700 filings. Assistance included managing and troubleshooting the electronic filing system. Staff addressed 21 compliance-related matters for directors and employees relating to Form 700.

Form 700 Compliance – Staff contacted five employees who were late filing their Assuming Office Form 700 statement and three former employees about their requirement to file Leaving Office Form 700 statements. As the designated Filing Officer for Metropolitan, the Office also made mandatory referrals of two former employees to the Fair Political Practices Commission (FPPC) for not filing Leaving Office statements. Staff will continue efforts to reach full compliance with state Form 700 requirements.

AB 1234 Ethics Training Compliance – Staff assisted 99 employees with AB 1234 ethics training requirements. Assistance included notifications, troubleshooting the online training program, and obtaining training certificates. A total of 61 employees completed their training this month. Three directors and 114 employees have not submitted their ethics training certificate to the Ethics Office. Staff will continue efforts to reach 100% compliance.

ADVICE Program

Staff addressed 33 time-sensitive advice matters for directors and employees related to conflicts of interest, financial disclosure, gifts, and other ethics-related topics.

Advice questions included:

- May a Metropolitan team enter into a non-competitive contract with a recent retiree who formerly worked on the same team?
- May a Metropolitan official host a political fundraiser in their personal capacity?
- May a Metropolitan official accept a non-profit Board position where the nonprofit received funds from Metropolitan and works with the official's Metropolitan team?
- May a Metropolitan official donate to another Metropolitan official's campaign in their

personal capacity?

Staff reviewed Committee and Board letters and directors' financial interests listed in Form 700s to help screen for potential conflicts of interest in Metropolitan matters and prepared recusal and disclosure scripts where applicable. Staff also reviewed conflict of interest disclosure forms from contractors and subcontractors to help screen for and address potential conflicts prior to finalizing Metropolitan contracts.

INVESTIGATION Program

Complaints Received – The Ethics Office received five new complaints in September alleging the following:

1. An employee received outside income from a restricted source. [Status: under review.]
2. A manager misused their authority by disadvantaging an employee during a recruitment process. [Status: under review.]
3. A job candidate was discriminated against based on a protected class during a recruitment process. [Status: referred to the EEO Office.]
4. Management took actions to dissuade employees from reporting safety concerns. [Status: under review.]
5. The Metropolitan seal was used in a non-Metropolitan official's campaign materials. [Status: closed after preliminary review.]

Complaints Closed – The Ethics Office closed two complaints alleging ethics violations through the preliminary review process. It took an average of 18 calendar days to complete the preliminary reviews.

1. A manager retaliated against an employee as part of a performance review process. [Basis: Evidence reviewed did not support the allegation.]
2. The Metropolitan seal was used in a non-Metropolitan official's campaign materials. [Basis: No Metropolitan official was involved, and the seal was immediately removed.]

Open Complaints and Investigations – As of September 30, 2026, the Investigation Program was managing a total of six open ethics complaints under preliminary review and three ongoing ethics investigations. All three investigations allege misuse of authority for personal gain and are expected to be completed within the next 30-60 days. Two were opened in March, and one in April.

Case Resolutions – The Ethics Office formally referred violations of Metropolitan's conflicts of interest rule by two directors to the Executive Committee for their review and consideration of further action. The matters were previously referred to the FPPC as mandated by the Administrative Code. The Executive Committee voted to defer any action pending resolution of both FPPC matters. The Ethics Office will bring the items back to the Committee as appropriate in accordance with the Executive Committee's direction.

Alternative Complaint Hotline – No complaints were filed via the Alternative Complaint Hotline in September.

Professional Services Contracts – The Ethics Office entered into a professional services contract on an as-needed basis with the Law Office of Roberta M. Yang for independent investigation services at an annual maximum of $100,000.

MISSION

The Ethics Office promotes the highest standards of government integrity to support Metropolitan's mission through an independent and comprehensive program that enhances trust, transparency, and accountability for the benefit of the workforce and the public it serves.

VISION

Our vision is to be a leader in governmental ethics with an unparalleled commitment to supporting an ethical organizational culture.